

FM-2 (Contract)

Council District(s) All

Office of Law

Claims Administration Services

The Administration is requesting approval of a contract with Class Action Administration, LLC dba JND Legal Administration to provide claims administration services, which are required as part of the settlement reached between the County and the U.S. Department of Justice regarding the Police Department's prior hiring practices. The contract commences upon Council approval or the date upon which the U.S. District Court of Maryland approves the settlement agreement (whichever is later), continues through December 30, 2021, and will renew automatically for two additional 1-year periods with the option to extend the initial term or any renewal term an additional 90 days. The contract does not specify a maximum compensation for the initial term. Compensation may not exceed \$112,000 for the entire term, including the renewal and extension periods. See Exhibit A.

Fiscal Summary

Funding Source	Maximum Compensation	Notes
County ⁽¹⁾	\$ 112,000	⁽¹⁾ Self-Insurance Fund. ⁽²⁾ Maximum compensation for the entire term, including the renewal and extension periods. The contract does not specify a maximum compensation for the initial term.
State	--	
Federal	--	
Other	--	
Total	\$ 112,000 ⁽²⁾	

Analysis

The contractor will provide claims administration services, which are required as part of the settlement reached between the County and the U.S. Department of Justice (DOJ) regarding the Police Department's prior hiring practices.

The contract provides that services will include:

- Confirming and/or researching current addresses for approximately 960-1,000 applicants, providing notice and objection filing instructions and interest-in-relief forms to relevant applicants, and recording and notifying the County and the DOJ of undeliverable notices;
- Recording and maintaining completed notices of objection and interest-in-relief forms;
- Preparing and providing notice of preliminary eligibility relief determinations to claimants and providing the County and DOJ with all objections;
- Preparing and providing acceptance of relief and withholding tax forms; and
- Receiving, reviewing, and maintaining acceptance of relief forms and providing qualified forms to the County and the DOJ on a weekly basis.

The contract also establishes the following:

- The DOJ will provide the contractor a final list, identifying whether each claimant returned all forms in a timely manner and indicating the amount of back pay payable to each claimant.
- The contractor will mail, via first class U.S. mail with delivery tracking service, a back-pay award check no later than 30 days after the DOJ provides the final awards list.
- The contractor will provide to the County and the DOJ a list of awards that are outstanding in order to identify delivered but uncashed checks and checks returned as undeliverable.
- The contractor will notify claimants whose payments remain outstanding (via email and mail), providing each with final notice no later than 160 days after mailing the checks. If, after 200 days, the funds remaining in the settlement account are not “de minimis,” then a funding reallocation may occur, requiring another round of payments.

Project management will be billable at an estimated hourly rate of \$125. The County will pay the contractor for other expenses (e.g., developing and hosting a website; responding to email inquiries; printing and mailing notices) in accordance with a fee schedule.

The contract commences upon Council approval or the date upon which the U.S. District Court of Maryland approves the settlement agreement (whichever is later), continues through December 30, 2021, and will renew automatically for two additional 1-year period with the option to extend the initial term or any renewal term an additional 90 days on the same terms and conditions, unless the County provides notice of non-renewal. The contract does not specify a maximum compensation for the initial term. Compensation may not exceed \$112,000 for the entire term, including the renewal and extension periods. The County may terminate the agreement by providing 30 days prior written notice.

The Office has requested that the Administration designate the proposed contract as a noncompetitive 902(f) award secured in the best interest of the County. The Office advised that the settlement requires the County to contract with a claims administrator and that the selection of the contractor is subject to DOJ approval. The Office further advised that it requested names of companies approved by the DOJ to perform similar work; the Office of Budget and Finance, Purchasing Division contacted these companies, and Class Action Administration, LLC was the only respondent. The Office advised that the contractor is the only settlement administrator with a federally-trained government services business line, is an approved vendor for the Securities and Exchange Commission and the Federal Trade Commission, and has agreed to provide pricing comparable to its pricing for other governmental agencies.

County Charter, Section 902(f), states that “when... [competitive] bidding is not appropriate, a contract shall be awarded only by competitive negotiations, unless such negotiations are not feasible. When neither competitive bidding nor competitive negotiations are feasible, contracts may be awarded by noncompetitive negotiations.”

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year....”

Executive Summary

Contract with CLASS ACTION ADMINISTRATION LLC dba JND LEGAL ADMINISTRATION to provide claims administration services with respect to settlement of *United States of America v. Baltimore County, Maryland*, Civil Action No. 1:19-CV-02465-CCB, before the United States District Court District of Maryland. Compensation not to exceed \$112,000. Term – from date of approval by Council thru 12/30/21 (Initial /term) with right to renew for up to two 1-year terms, and right to extend up to 90 days at the end of any term.

Prepared by: Office of Law